

EUROPEAN ECONOMY

COMMISSION OF THE EUROPEAN COMMUNITIES • DIRECTORATE-GENERAL FOR ECONOMIC AND FINANCIAL AFFAIRS

Supplement B — No 1 — January 1988

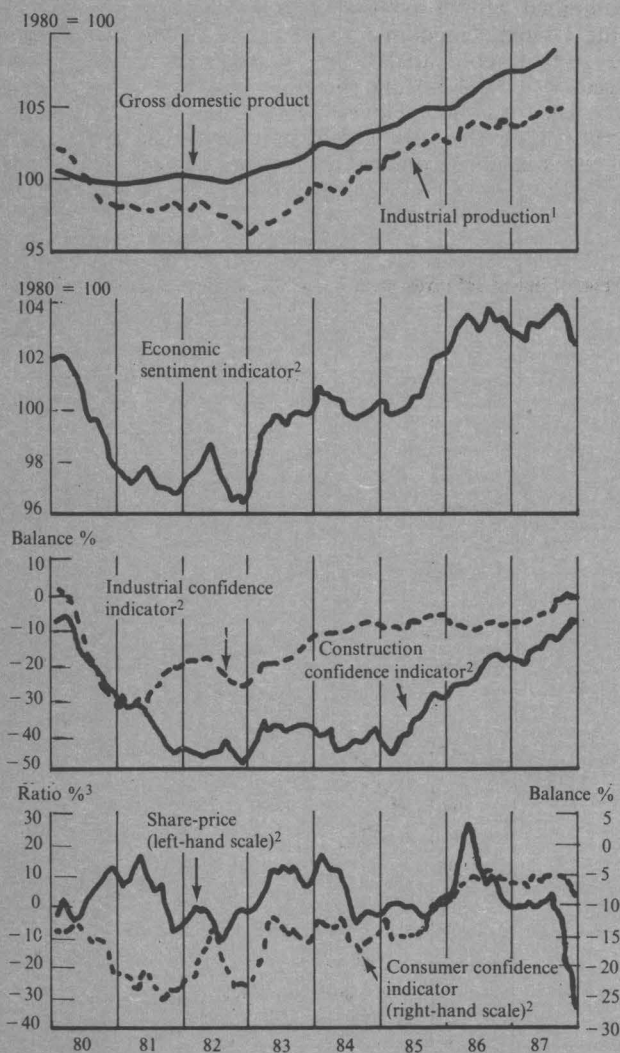
*In this number:
Industrial investment
in 1987 and 1988*

Business and consumer survey results

GRAPH 1: Indicators of output and economic sentiment—
European Community

THE MAIN POINTS IN BRIEF

- In 1987 industrial investment probably grew by 8 % in value and 5 % in volume for the Community as a whole. On average, the results of the autumn survey confirm the spring survey results.
- For 1988, investment could be expected to accelerate somewhat for the Community as a whole (9 % in value and 6 % in volume) despite the uncertainties surrounding the financial markets, but differences between member countries should widen. A significant slowdown is forecast in Germany (+1 % compared with +6 % in 1987) whereas in the United Kingdom in particular investment seems to be accelerating (+12 % compared with +6 %).
- For the Community as a whole, the *industrial confidence indicator* remained at the high level reached before stock market prices plummeted on 19 October, but the *construction confidence indicator* dipped slightly. After falling between October and November, the *consumer confidence indicator* has stabilized.
- *Economic sentiment* has stabilized, with the composite economic sentiment indicator for the Community losing only 0.1 of a percentage point in November.
- These results seem to show that the turmoil which affected the money and stock markets had less influence than might have been feared on the business surveys, although consumer confidence diminished in November (see Graph 11).



¹ Three-month moving average.

² See notes to Table 6.

³ Deviations from trend in %.

On average for the Community, the growth of industrial investment remains moderate but the differences between the member countries are widening. — According to the October/November 1987 harmonized survey, in 1987, industrial investment grew by 8 % in value and 5 % in volume for the Community as a whole (see Table 1). This result shows that between March and October European industrialists did not change their plans for 1987 (see Supplement B No 7, July 1987). For 1988, company investment could be expected to accelerate somewhat (9 % in value and 6 % in volume). The growth of industrial investment should continue to outstrip that of GDP and of gross fixed capital formation. Consequently, after fifteen years the index of investment volume in manufacturing industry, based on the results of the harmonized survey, should be higher than its 1973 level (see Table 5).

Investment in the member countries. — The abovementioned stability of investment plans for 1987 applies to German, French, Italian and British industrialists, whose volume estimates are unchanged or 1 % to 2 % up on the March/April survey. But for the other member countries, there has usually been an appreciable downward revision of the estimated growth of industrial investment. This is the case in Belgium (+4 % compared with +12 % in the March/April survey), Greece (–14 % compared with +2 %), Ireland (–28 % compared with +18 %), Luxembourg (–10 % compared with –2 %) and Portugal (+14 % compared with +18 %). For Denmark, however, the October/November survey anticipates an 18 % rise in investment compared with 15 % in the forecast based on the March/April results. Lastly investment in the Netherlands is no longer expected to fall (0 % according to the October/November survey compared with –11 % after the March/April survey).

The first forecasts for 1988 show that the differences between the growth rates of the Member States are widening in comparison with 1987. Growth should slow down significantly in Germany (+1 % compared with +6 %) whereas it seems to be accelerating in the United Kingdom (+12 % compared with +6 %), France (+6 % compared with +4 %), Portugal (+20 % compared with +14 %) and Belgium (+7 % compared with +4 %). The variability of investment plans in Ireland (+88 % compared with –28 %) is largely attributable to its small number of firms in the secondary sector. Greece should

enjoy a modest recovery (+2 % compared with –14 %), but the performance of Italian industry (+6 %) should no longer be better than the Community average and Danish firms might do no more than consolidate (+1 %) their 1987 results while falls should be expected in the Netherlands (–2 %) and again in Luxembourg (–13 %).

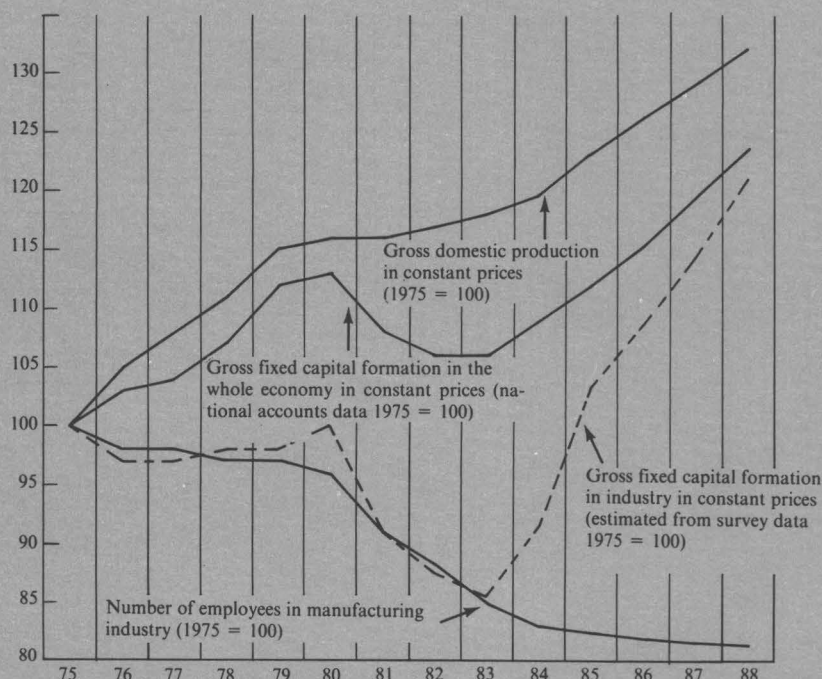
Investment by industrial branch. — For 1987, the greatest growth of industrial investment in the Community should occur in the *processing industries* (+16 %; see Table 3), for which industrialists have revised their plans upwards since the March/April survey (+16 % compared with +10 %). Investment in this sector has expanded particularly in Portugal (+47 %), Greece (+40 %) and the United Kingdom (+29 %).

In the *equipment goods* industry, estimated growth for 1987 remains fairly steady for the Community (+7 %) although industrialists have cut back their investment plans for this year by +5 %. This reflects very sharp reductions in the growth rates expected for Belgium (15 % down on March/April), Greece (59 % down), Ireland (66 % down) and the United Kingdom (16 % down).

Lastly, for the Community as a whole, the value of investment in the *metal working industries* fell in 1987 (–1 %), chiefly as a result of the declines recorded in Germany (–17 %) and Italy (–37 %).

For 1988, industrialists forecast that investment growth in the Community will be particularly high in the *equipment goods* industry (14 %, see above) and in the *basic products* industry (+14 %). Italy (+25 %) and the United Kingdom (+19 %) are particularly optimistic about the equipment goods industry for which the plans of Italian firms are all the more remarkable since they probably increased their investment by 37 % in 1987. Exceptional plans are also mentioned in Greece, particularly in the public sector (+286 %), and in Ireland (+224 %), two countries where investment was very low in 1987 and where the initial forecasts have in the past undergone substantial downward revision because of the relatively small number of firms in the sample. The level of investment forecast for the Community in the equipment goods sector is probably partly attributable to the postponement of projects planned in March/April for 1987 (see above).

GRAPH 2: Trend of industrial investment in the Community (business survey indicator) in the context of other macro-economic indicators



1987 and 1988: Estimation.

Sources: Eurostat, economic forecasts and EC investment survey.

TABLE 1: Industrial investment in manufacturing industry by Member State
 % change in relation to preceding year

Year	B(d)	DK(d)	D	E	GR(d)(g)	F	IRL(d)	I	L(d)	NL	P	UK(d)	EUR
1987													
in values terms	+ 5	+ 19	+ 6	:	- 4	+ 7	- 26	+ 15	- 9	- 1	+ 27	+ 11	+ 8
in volumes terms (a)	+ 4	+ 18	+ 6	:	- 14	+ 4	- 28	+ 11	- 10	0	+ 14	+ 6	+ 5
1988													
in values terms	+ 9	+ 4	+ 3	:	+ 12	+ 9	+ 94	+ 9	- 11	- 1	+ 29	+ 17	+ 9
in volumes terms (a)	+ 7	+ 1	+ 1	:	+ 2	+ 6(e)	+ 88	+ 6	- 13	- 2	+ 20	+ 12	+ 6

TABLE 2: Industrial investment in the EC manufacturing industry

A. % change in value in relation to preceding year									B. % change in value in relation to preceding year (a)								
Years to which data relate									Years to which data relate								
Data of survey	1981	1982	1983	1984	1985	1986	1987	1988	1981	1982	1983	1984	1985	1986	1987	1988	
March/April 1982	- 1	3							- 9	- 3							
Oct./Nov. 1982		1	5							- 5	- 1						
March/April 1983		2	4							- 4	- 2						
Oct./Nov. 1983			3	10							- 3	5					
March/April 1984			3	13							- 2	7					
Oct./Nov. 1984				12	14							7	9				
March/April 1985				12	16							7	11				
Oct./Nov. 1985					15	10							10	7			
March/April 1986					17	13							12	10			
Oct./Nov. 1986						9	9							5	6		
March/April 1987						9	8							5	5		
Oct./Nov. 1987							8	9							5	6	

TABLE 3: Industrial investment survey by branch

Results of the Oct./Nov. 1987 investment survey, % change in value, over the preceding year

	Basic materials industries (b)		Metallurgical industries		Mechan. & Elect. industries		Processing industries (c)		Extractive		Food industries		Total, all industry	
	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988
B	+ 10	+ 28	0	- 28	+ 2	+ 8	+ 7	+ 8	:	:	+ 4	+ 16	+ 5	+ 9
DK	+ 22	+ 9	- 4	+ 6	- 4	+ 8	- 1	- 5	:	:	+ 64	+ 1	+ 19	+ 4
D	+ 9	+ 4	- 17	- 13	+ 6	+ 3	+ 9	+ 5	- 2	0	+ 9	+ 3	+ 6	+ 3
E	:	:	:	:	:	:	:	:	:	:	:	:	:	:
GR (g)	- 14	- 24	+ 89	+ 67	+ 2	+ 286	+ 40	+ 25	:	:	+ 15	+ 101	- 4	+ 12
F	+ 9	+ 10	+ 14	- 13	+ 7	+ 8	+ 6	- 7	- 13	+ 10	+ 7	+ 7	+ 7	+ 9
IRL	- 9	+ 90	- 22	+ 12	- 50	+ 224	- 22	+ 6	:	:	- 18	+ 12	- 26	+ 94
I	+ 15	+ 21	- 37	- 32	+ 37	+ 25	+ 14	+ 1	0	- 36	- 2	+ 3	+ 15	+ 9
L	- 14	+ 38	+ 1	- 4	- 23	- 8	- 13	- 36	:	:	- 17	- 28	- 9	- 11
NL	- 4	+ 8	:	:	- 8(h)	- 1(h)	+ 23	- 16	- 20	- 4	+ 7	+ 2	- 1	- 1
P	- 1	+ 92	+ 138	- 41	+ 21	+ 4	+ 47	+ 25	+ 204	+ 7	+ 14	+ 22	+ 27	+ 29
UK	+ 9	+ 13	+ 34	+ 18	- 6	+ 19	+ 29	+ 24	:	:	+ 19	+ 13	+ 11	+ 17
EUR (f)	+ 8	+ 14	- 1	- 10	+ 7	+ 14	+ 16	+ 6	:	:	+ 10	+ 10	+ 8	+ 9

TABLE 4: Industrial investment survey—all branches

% change in value in relation to preceding year

Year to which data relate:	1983		1984				1985				1986				1987			1988
	Oct./ Nov. 1983	March/ April 1984	Oct./ Nov. 1983	March/ April 1984	Oct./ Nov. 1984	March/ April 1985	Oct./ Nov. 1984	March/ April 1985	Oct./ Nov. 1985	March/ April 1986	Oct./ Nov. 1985	March/ April 1986	Oct./ Nov. 1986	March/ April 1987	Oct./ Nov. 1986	March/ April 1987	Oct./ Nov. 1987	Oct./ Nov. 1987
Data of survey:																		
B (d)	- 2	- 2	+ 5	+ 15	+ 13	+ 10	+ 3	+ 12	+ 7	+ 7	+ 16	+ 21	+ 13	+ 13	+ 12	+ 13	+ 5	+ 9
DK (d)	+ 18	+ 19	+ 20	+ 60	+ 54	+ 44	+ 18	+ 40	+ 37	+ 38	+ 7	+ 11	+ 10	+ 6	+ 19	+ 26	+ 19	+ 4
D	+ 2	+ 1	+ 2	+ 5	+ 4	+ 1	+ 10	+ 14	+ 16	+ 19	+ 10	+ 12	+ 13	+ 12	+ 7	+ 6	+ 6	+ 3
E	:	:	:	:	:	:	:	:	:	+ 36	:	+ 22	+ 20	+ 21	+ 11	+ 25	:	:
GR (d)(g)	- 49	- 36	+ 41	+ 23	- 1	- 34	+ 95	+ 82	+ 51	+ 23	+ 69	+ 69	+ 11	- 11	+ 5	+ 14	- 4	+ 12
F	+ 6	+ 5	+ 15	+ 20	+ 18	+ 19	+ 6	+ 13	+ 16	+ 13	+ 3	+ 8	+ 8	+ 5	+ 8	+ 6	+ 7	+ 9
IRL (d)	- 24	- 1	+ 19	+ 13	- 31	+ 21	+ 16	+ 9	- 5	+ 68	+ 24	+ 22	0	+ 10	+ 14	+ 21	- 26	+ 94
I	+ 3	+ 3	+ 8	+ 11	+ 6	+ 8	+ 29	+ 14	+ 12	+ 20	+ 15	+ 20	+ 8	+ 12	+ 19	+ 15	+ 15	+ 9
L (d)	+ 13	+ 20	- 6	- 22	+ 4	+ 17	- 6	+ 4	+ 17	+ 21	+ 20	+ 48	+ 32	+ 40	- 1	- 1	- 9	- 11
NL	+ 6	+ 5	+ 25	+ 29	+ 27	+ 29	+ 15	+ 24	+ 22	+ 25	+ 5	+ 5	+ 4	+ 4	- 5	- 12	- 1	- 1
P	:	:	:	:	:	:	:	:	:	:	:	:	+ 22	+ 17	+ 21	+ 29	+ 27	+ 29
UK (d)	+ 2	+ 3	+ 15	+ 16	+ 16	+ 19	+ 13	+ 15	+ 10	+ 10	+ 11	+ 11	+ 6	+ 6	+ 8	+ 10	+ 11	+ 17
EUR 10	+ 3	+ 3	+ 10	+ 13	+ 12	+ 12	+ 14	+ 16	+ 15	+ 17	+ 10	+ 13	+ 9	+ 9	+ 9	+ 8	+ 8	+ 9

(a) The changes in volume are calculated by dividing the changes in value by the corresponding deflators for gross capital formation. For 1986 and 1987 forecast deflator is used.

(b) Chemicals, man-made fibres, petroleum refining, rubber processing, etc.

(c) Manufacture of textiles, footwear, wood, paper, printing and processing of plastic industries.

(d) Excluding the extractive industries.

(e) Excluding the extractive industries; including energy and water.

(f) Weighted total of the above (not given when data are substantially incomplete).

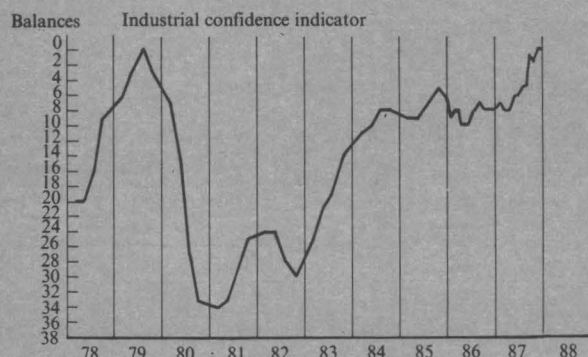
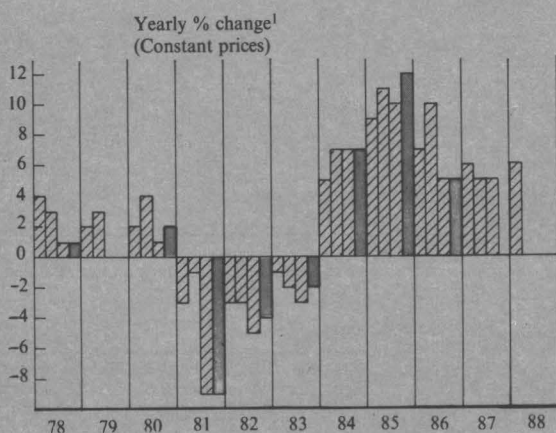
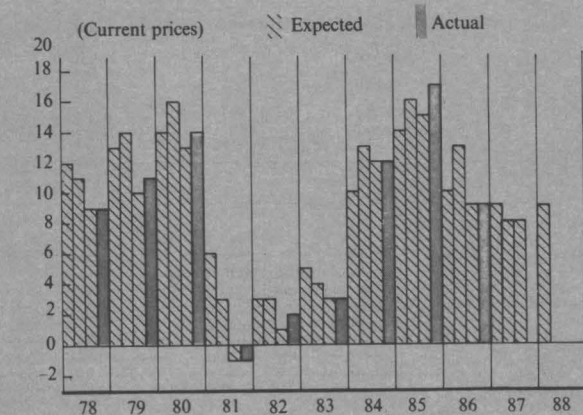
(g) Including public enterprises.

(h) Including the metallurgical industries.

Source: European Community investment surveys.

GRAPH 3: Investment in manufacturing industry (Community as a whole)

Yearly % change



¹ For each year the first column represents the first estimate given in the autumn of the previous year; the second column is based on the spring survey results of the current year (April); the third column is the forecast for the current year according to the investment survey in October/November; the fourth column (actual) gives the reported rate of change according to the spring survey of the next year.

Source: EC investment survey.

Irish investment growth should also be very vigorous in the basic products sector (+90 %) chiefly because of industrial building, while Greek industrialists are the only ones to forecast a contraction of investment in this sector (–24 %). Portuguese industrialists report willingness to increase their investment on a similar scale to that of their Irish counterparts (+92 %). This is another area where Italian firms are showing sustained vigour (+15 % in 1987 and +21 % in 1988) though not quite up to the level of Belgian producers (+10 % in 1987 and +28 % in 1988), allowing for the inflation differential between these two countries (see Table 1).

In the two sectors mentioned above, the growth expected in Germany is far below the Community average. German industrialists forecast that in 1988 their investment will grow by 4 % in value in the basic products industry and by 3 % in the equipment goods industry.

Investment should continue to grow at a higher than average rate in *food industries* of the Community (+10 % compared with +9 % for industry as a whole) and of three member countries: Greece (+101 % compared with +12 %), Belgium (+16 % compared with +9 %) and the Netherlands (+2 % compared with –1 %).

The slowdown of investment in the Community's *processing industries* (+6 % in 1988 compared with +16 % in 1987) should be perceptible in all the member countries except Ireland (+6 % compared with –22 %) and Belgium (+8 % compared with +7 %). The fall in the investment growth rate should be particularly great in France (–7 % compared with +6 %), Italy (+1 % compared with +14 %), Greece (+25 % compared with +40 %), Luxembourg (–36 % compared with –13 %), the Netherlands (–16 % compared with +23 %) and Portugal (+25 % compared with +47 %). In Germany and the United Kingdom, the slowdown should be relatively moderate (+5 % compared with +9 % and +24 % compared with +29 %). As a result of these movements the ratio of investment value in 1988 to investment value in 1986 should be no higher for the processing industries than for the equipment goods sector.

The existence of surplus capacity in the steel industry must have had a serious impact on investment plans in the *metal working industries*. For this sector, investment will probably contract in most of the member countries. But it is expected that investment will grow in the United Kingdom (+18 % compared with +34 %) and in Greece (+67 % in 1988 compared with +89 % in 1987), where the results are extremely variable because of the very small number of Greek firms in this sector.

Industrial climate stable. — Despite the stock market turmoil of the last two months, the confidence indicator remains at the high level reached in October, before share prices collapsed on 19 October (see Table 7). However, since October, the indicator has lost seven points in Greece, three in the United Kingdom and two in Ireland, showing a significant advance only in Luxembourg (+18 %)*.

Slight decline in construction. — Of the five member countries covered by the December survey in the construction industry, Italy lost one-third of its November gain and the Netherlands fell back to its level in the first half of 1987 (see Table 6). By contrast the situation stabilized in Germany, and limited

* Unless otherwise indicated, all the following figures in the text represent balances of positive and negative replies.

TABLE 5: Volume index of investment in the manufacturing industry (1981 = 100) (a)

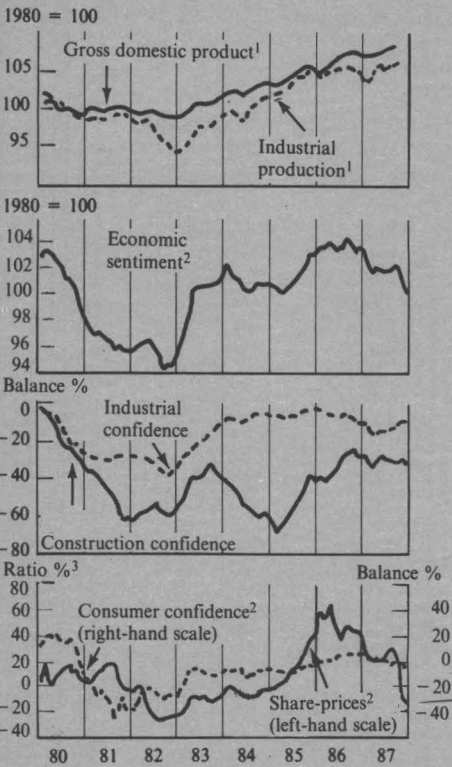
	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88
B	115	142	110	81	75	68	76	99	100	111	104	109	112	127	132	141
DK	:	:	:	:	:	:	:	:	100	98	108	150	197	203	240	242
D	101	92	88	90	89	93	99	107	100	98	96	95	112	124	131	132
GR	:	:	:	:	:	:	:	:	100	92	47	22	22	16	19	19
F	113	112	105	102	103	105	105	107	100	97	94	106	113	118	123	130
IRL	:	:	:	131	125	161	169	153	100	116	108	123	195	213	153	288
I	235	201	168	151	132	126	121	110	100	97	88	87	99	106	118	125
L	177	135	113	99	108	127	115	121	100	123	136	151	175	243	219	191
NL	:	:	:	107	117	114	107	115	100	95	99	126	155	160	160	157
UK	126	137	125	124	136	145	141	124	100	95	95	109	113	119	126	141
EUR	126	121	109	106	106	108	108	110	100	96	93	99	111	117	123	130

(a) These figures are based on the results of the EC Survey on realized investments after the application of the deflator of gross capital formation.

Source: European Community investment survey.

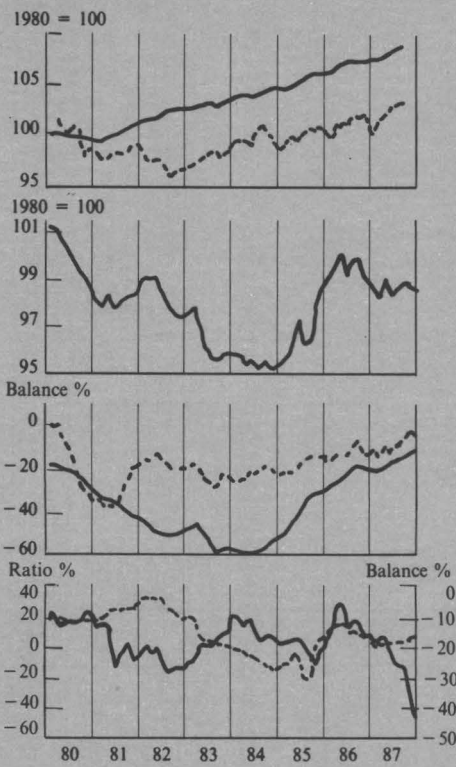
GRAPHS 4-9: Indicators of output and economic sentiment

GRAPH 4: Federal Republic of Germany



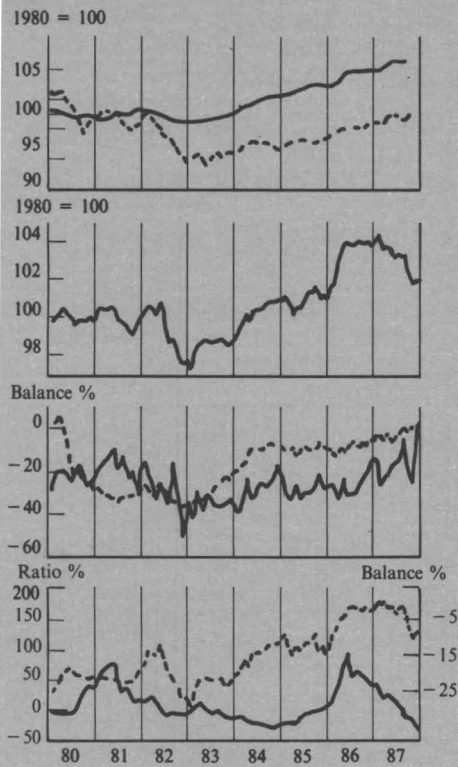
¹ Three-month moving average.
² See notes to Table 6.
³ Deviations from trend in %.

GRAPH 5: France



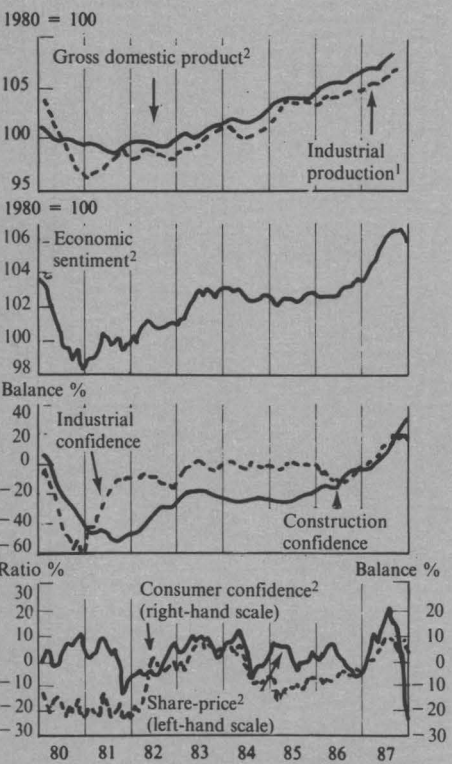
For explanations, see Graph 4.

GRAPH 6: Italy



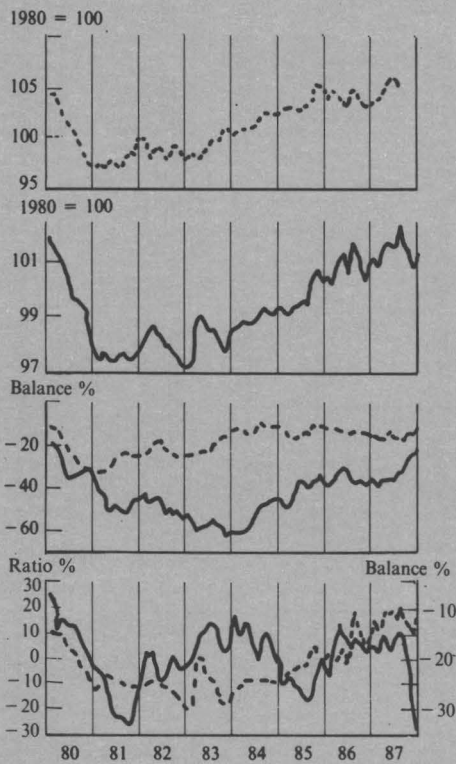
For explanations, see Graph 4.

GRAPH 7: United Kingdom



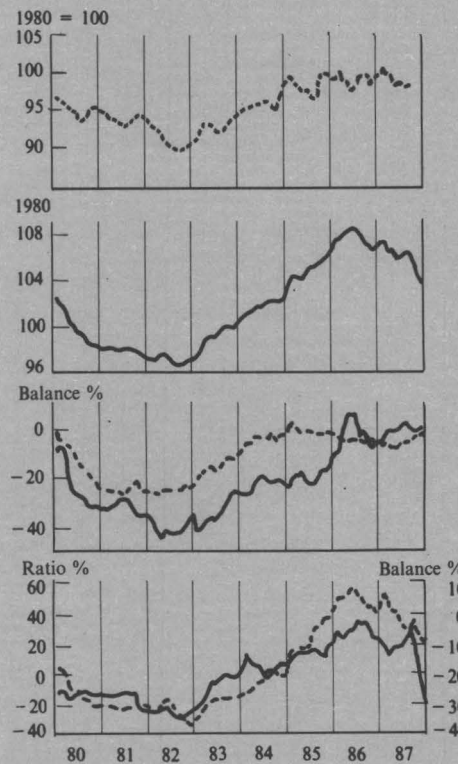
¹ Three-month moving average.
² See notes to Table 6.
³ Deviations from trend in %.

GRAPH 8: Belgium



For explanations, see Graph 7.

GRAPH 9: Netherlands



For explanations, see Graph 7

TABLE 6: Indicators of output and economic sentiment

		Range (b)		Range (b)		1987		1987		1987						
		Peak 1972/73	Trough 1974/75	Peak 1979/80	Trough 1981/83			II	III	IV	July	Aug.	Sept.	Oct.	Nov.	Dec.
B	gross domestic product	1980 = 100		:	:	:	:	:	:	:	:	:	:	:	:	:
	index of industrial production	102,5	76,5	106,3	92,4	:	:	108,2	:	:	108,0	102,0	:	:	:	:
	1. industrial confidence indicator	19	-56	-4	-35	-14	-14	-16	-12	-15	-16	-18	-12	-13	-11	
	2. construction confidence indicator	9	-36	-7	-65	-32	-35	-32	-22	-34	-32	-31	-25	-22	-20	
	3. consumer confidence indicator (c)	7	-18	-7	-31	-12	-10	-11	-12	-12	-9	-12	-13	-14	-10	
	4. share-price index (c)	155,1	98,0	114,3	75,0	318,0	330,2	361,9	271,9	362,6	369,5	353,5	297,4	266,1	252,1	
= 5. economic sentiment indicator		109,0	98,9	103,9	96,8	101,7	102,1	102,1	101,3	102,0	102,5	101,7	101,4	100,9	101,6	
DK	gross domestic product	1980 = 100		:	:	:	:	:	:	:	:	:	:	:	:	:
	index of industrial production	:	:	107,7	95,5	:	120,7	121,9	:	123,1	120,0	122,5	:	:	:	:
	1. industrial confidence indicator	:	:	:	-22	-8	-9	-8	-8	-8	(-8)	(-8)	-8	(-8)	(-8)	
	2. construction confidence indicator	:	:	:	-36	1	12	-8	-1	-8	(-8)	(-8)	-1	(-1)	(-1)	
	3. consumer confidence indicator (c)	:	-16	5	-22	-10	-9	-9	-13	-10	-9	-7	-8	-11	-19	
	4. share-price index (c)	:	:	:	:	351,8	360,9	362,4	315,4	360,9	374,8	351,6	319,0	316,6	310,6	
= 5. economic sentiment indicator		:	:	:	:	:	101,3	100,9	:	101,0	100,9	100,9	100,7	100,7	:	
D	gross domestic product (b)	1980 = 100		85,1	83,3	101,2	98,9	:	110,1	111,6	:	:	:	:	:	:
	index of industrial production	92,0	82,4	103,1	91,4	:	107,2	107,7	:	105,6	109,7	107,7	108,5	:	:	:
	1. industrial confidence indicator	10	-49	2	-40	-13	-14	-12	-11	-14	-12	-11	-10	-11	-11	
	2. construction confidence indicator	-4	-72	11	-64	-30	-28	-31	-32	-30	-31	-31	-30	-33	-33	
	3. consumer confidence indicator (c)	:	-22	9	-31	-1	1	-1	-4	-1	-4	1	-1	-5	-7	
	4. share-price index (c)	109,0	75,2	115,6	97,6	257,5	261,3	285,6	220,4	278,3	292,6	285,8	263,0	202,6	195,7	
= 5. economic sentiment indicator		103,8	97,0	103,6	94,7	101,6	101,9	101,9	100,6	101,8	101,7	102,3	101,8	100,2	99,9	
F	gross domestic product	1980 = 100		85,4	84,2	99,8	102,4	:	111,6	112,6	:	:	:	:	:	:
	index of industrial production	96,7	82,2	105,2	94,8	:	103,7	104,3	:	104,0	104,0	105,0	104,0	:	:	:
	1. industrial confidence indicator	29	-49	5	-39	-8	-10	-6	-2	-7	-6	-5	-2	-4	-1	
	2. construction confidence indicator	:	:	-17	-57	-16	-17	-14	-11	-14	(-14)	(-14)	-11	(-11)	(-11)	
	3. consumer confidence indicator (c)	:	-9	3	-27	-18	-18	-18	-16	-18	-18	-17	-17	-16	-16	
	4. share-price index (c)	86,6	53,6	101,2	82,7	367,1	395,8	386,8	295,3	382,1	382,9	395,5	340,1	279,0	266,7	
= 5. economic sentiment indicator		107,8	97,6	101,8	95,1	98,7	98,7	98,8	98,8	98,7	98,8	99,0	98,9	98,7	98,7	
IRL	gross domestic product	1980 = 100		:	:	:	:	:	:	:	:	:	:	:	:	:
	index of industrial production	80,4	72,3	103,8	99,6	:	144,4	145,4	:	140,3	149,8	146,1	:	:	:	:
	1. industrial confidence indicator	:	-41	20	-40	-1	4	0	-5	-2	-2	3	-5	-2	-7	
	2. construction confidence indicator	:	:	:	:	-31	-31	-31	-29	-31	(-31)	(-31)	-29	(-29)	(-29)	
	3. consumer confidence indicator (c)	:	-41	12	-44	-29	-30	-29	-29	-29	-29	-30	-27	-31	-28	
	4. share-price index (c)	85,8	29,9	112,2	79,4	345,8	333,3	337,4	373,9	347,9	387,0	397,4	424,3	301,7	395,8	
= 5. economic sentiment indicator		109,1	96,7	103,6	98,1	101,0	101,0	101,1	101,1	101,0	101,2	101,2	101,5	100,3	101,4	
I	gross domestic product	1980 = 100		80,4	77,2	101,2	98,2	:	114,4	115,0	:	:	:	:	:	:
	index of industrial production	87,9	72,6	104,7	98,1	:	102,6	101,8	:	102,5	100,9	102,1	104,6	:	:	:
	1. industrial confidence indicator	31	-59	13	-41	-2	-4	-1	-1	-2	0	-2	1	0	1	
	2. construction confidence indicator	-8	-56	-5	-51	-15	-18	-11	-10	-12	-4	-18	-25	2	-6	
	3. consumer confidence indicator (c)	:	-39	-12	-30	-4	-2	-4	-9	-2	-2	-7	-10	-9	-8	
	4. share-price index (c)	169,6	68,5	185,0	116,9	643,9	708,2	638,5	533,8	673,8	626,3	615,3	613,0	499,0	489,5	
= 5. economic sentiment indicator		103,8	97,4	101,6	97,6	103,1	103,5	103,1	102,0	103,5	103,5	102,3	101,9	102,0	102,0	
NL	gross domestic product	1980 = 100		:	:	:	:	:	:	:	:	:	:	:	:	:
	index of industrial production	94,8	87,1	117,5	90,7	:	105,0	104,7	:	106,0	106,0	102,0	107,0	:	:	:
	1. industrial confidence indicator	12	-44	4	-31	-6	-8	-5	-3	-6	-6	-4	-3	-3	-4	
	2. construction confidence indicator	3	-47	3	-46	-2	-1	0	-2	2	-1	-1	-3	0	-4	
	3. consumer confidence indicator (c)	6	-15	5	-37	-2	-1	-3	-8	-5	-4	-1	-7	-9	-8	
	4. share-price index (c)	:	86,3	122,8	92,8	327,8	338,6	377,0	276,4	374,3	387,3	369,5	327,9	255,4	245,9	
= 5. economic sentiment indicator		107,8	100,7	105,3	97,1	105,8	106,0	106,3	104,1	106,1	106,3	106,5	105,0	103,8	103,6	
UK	gross domestic product	1980 = 100		94,6	91,0	102,5	97,7	:	115,7	118,6	:	:	:	:	:	:
	index of industrial production	92,7	89,6	110,0	93,8	:	112,4	114,7	:	114,4	115,2	114,4	115,4	:	:	:
	1. industrial confidence indicator	:	:	9	-60	12	10	16	19	13	20	16	20	20	17	
	2. construction confidence indicator	:	:	7	-60	12	5	15	30	15	(15)	(15)	30	(30)	(30)	
	3. consumer confidence indicator (c)	:	-33	14	-26	5	7	7	5	9	8	5	8	5	3	
	4. share-price index (c)	78,5	23,3	111,6	104,4	396,3	415,3	453,2	350,4	464,9	443,4	451,2	413,7	312,2	325,3	
= 5. economic sentiment indicator		103,8	97,7	104,9	98,8	105,6	105,6	106,5	106,2	106,4	106,6	106,4	106,7	106,1	105,8	
EUR	gross domestic product (a)(b)	1980 = 100		85,1	85,5	101,1	101,0	:	112,8	114,3	:	:	:	:	:	:
	index of industrial production	92,9	83,0	103,2	94,6	:	107,0	107,0	:	107,7	106,0	107,5	108,3	:	:	:
	1. industrial confidence indicator	16	-49	3	-36	-4	-6	-3	0	-5	-1	-2	0	0	0	
	2. construction confidence indicator	:	:	-1	-48	-14	-15	-12	-8	-12	(-11)	(-13)	-9	(-7)	(-8)	
	3. consumer confidence indicator (c)	5	-17	1	-22	-6	-5	-5	-7	-5	-5	-5	-6	-8	-8	
	4. share-price index (c)	:	47,0	115,4	111,7	362,5	380,3	400,6	311,8	404,5	398,6	398,7	363,1	286,0	286,4	
= 5. economic sentiment indicator		107,5	96,6	104,1	97,4	103,1	103,3	103,8	102,8	103,7	103,9	103,7	103,5	102,5	102,4	

(a) Weighted total of quarterly figures for the Federal Republic of Germany, France, Italy and the UK.

(b) For the Federal Republic of Germany, gross national product for quarterly data.

(c) Not seasonally adjusted.

TABLE 7: Monthly survey of manufacturing industry — Monthly questions and the composite industrial confidence indicator (a)
Balances: i.e. differences between the percentages of respondents giving positive and negative replies (s.a.)

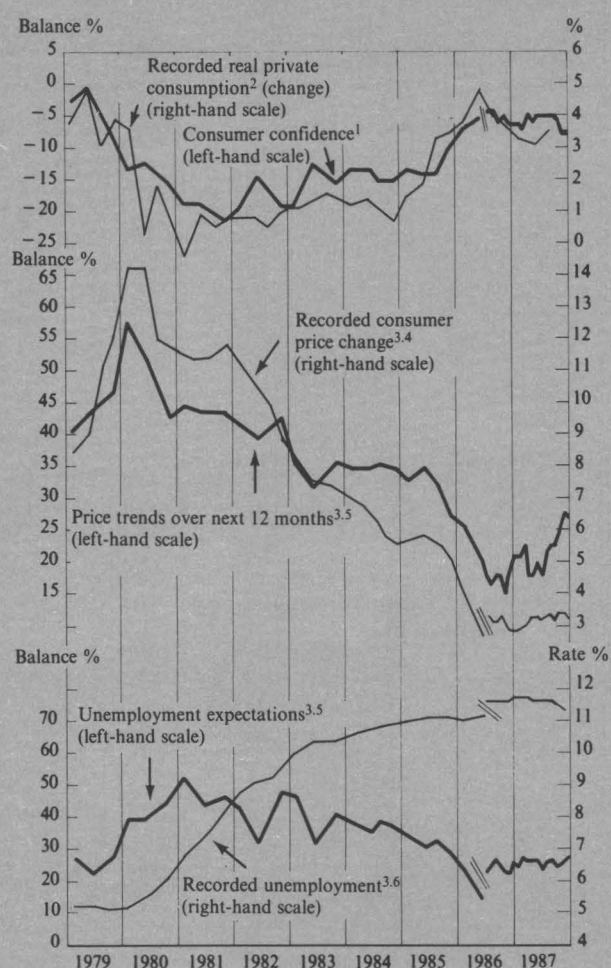
		Range (b)		Range (b)		1987	1987			1987					
		Peak 1972/73	Trough 1974/75	Peak 1979/80	Trough 1981/83		II	III	IV	July	Aug.	Sept.	Oct	Nov.	Dec.
B	production expectations	+31	-56	-4	-37	-8	-7	-10	-2	-8	-10	-12	-4	-3	+1
	order-books	+13	-74	-14	-49	-28	-29	-29	-25	-28	-31	-29	-25	-27	-24
	export order-books	+15	-82	-19	-55	-30	-33	-31	-28	-31	-32	-30	-29	-29	-27
	stocks of finished products	-14	+37	+2	+18	+8	+6	+9	+9	+8	+6	+12	+8	+9	+9
	selling-price expectations	+64	-10	+39	+12	+5	+6	+7	+11	+8	+8	+4	+10	+10	+12
	industrial confidence indicator	+19	-56	-4	-35	-14	-14	-16	-12	-15	-16	-18	-12	-13	-11
DK	production expectations	:	:	:	+8	+4	+4	+4	+2	+4	:	:	+2	:	:
	order-books	:	:	:	-34	-17	-17	-20	-20	-20	:	:	-20	:	:
	export order-books	:	:	:	+14	-14	-19	-12	-9	-12	:	:	-9	:	:
	stocks of finished products	:	:	:	+24	+10	+13	+8	+5	+8	:	:	+5	:	:
	industrial confidence indicator	:	:	:	-22	-8	-9	-8	-8	-8	:	:	-8	:	:
D	production expectations	+17	-32	+10	-30	-2	-4	-1	+2	-3	-1	+1	+4	+1	+1
	order-books	+5	-73	-6	-59	-25	-26	-25	-24	-27	-25	-24	-23	-24	-25
	export order-books	:	:	-14	-50	-31	-35	-30	-29	-30	-30	-29	-29	-29	-28
	stocks of finished products	-7	+43	-2	+31	+11	+11	+11	+9	+12	+11	+9	+10	+9	+8
	selling-price expectations	+55	+4	+38	+4	+15	+14	+18	+20	+18	+19	+18	+22	+20	+19
	industrial confidence indicator	+10	-49	+2	-40	-13	-14	-12	-11	-14	-12	-11	-10	-11	-11
GR	production expectations	:	:	:	:	+16	+13	+24	+16	+25	+24	+24	+18	+14	+16
	order-books	:	:	:	:	-23	-24	-20	-23	-22	-20	-17	-20	-21	-27
	export order-books	:	:	:	:	-26	-27	-26	-21	-28	-25	-23	-19	-17	-26
	stocks of finished products	:	:	:	:	+11	+10	+11	+14	+14	+11	+7	+9	+11	+21
	selling-price expectations	:	:	:	:	+23	+29	+25	+21	+26	+25	+25	+20	+17	+25
	industrial confidence indicator	:	:	:	:	-6	-7	-2	-7	-4	-2	0	-4	-6	-11
F	production expectations	+33	-29	+18	-20	+4	+3	+3	+9	+1	+3	+4	+10	+6	+10
	order-books	+26	-69	0	-56	-18	-21	-16	-11	-19	-16	-13	-12	-13	-8
	export order-books	+24	-66	+10	-52	-22	-27	-18	-10	-20	-18	-15	-14	-7	-10
	stocks of finished products	-14	+50	+3	+42	+8	+11	+5	+4	+4	+5	+6	+4	+4	+5
	selling-price expectations	+76	+15	+62	+17	+16	+15	+22	+17	+22	+22	+21	+16	+16	+18
	industrial confidence indicator	+29	-49	+5	-39	-8	-10	-6	-2	-7	-6	-5	-2	-4	-1
IRL	production expectations	:	-21	+40	-33	+15	+20	+17	+3	+13	+19	+20	+3	+4	+1
	order-books	:	-68	+18	-55	-11	-3	-10	-11	-12	-16	-2	-10	-7	-16
	stocks of finished products	:	+35	-6	+33	+7	+5	+8	+6	+6	+8	+9	+7	+4	+6
	selling-price expectations	:	+64	+77	+20	+4	+8	+6	+1	-1	+7	+12	+2	+4	-2
	industrial confidence indicator	:	-41	+20	-40	-1	+4	0	-5	-2	-2	+3	-5	-2	-7
I	production expectations	+40	-43	+24	+26	+9	+8	+10	+11	+10	+11	+8	+9	+14	+10
	order-books	+30	-82	+7	-66	-9	-11	-9	-5	-10	-8	-9	-2	-8	-4
	export order-books	+13	-67	-6	-59	-25	-27	-27	-23	-27	-28	-25	-26	-20	-24
	stocks of finished products	-24	+53	-8	+32	+6	+8	+5	+4	+7	+3	+4	+4	+5	+3
	selling-price expectations	+76	+10	+87	+37	+20	+18	+21	+29	+20	+22	+22	+26	+31	+29
	industrial confidence indicator	+31	-59	+13	-41	-2	-4	-1	+1	-2	0	-2	+1	0	+1
L	production expectations	+84	-80	+40	-66	-13	-15	-2	+8	-3	-1	-3	+2	+5	+17
	order-books	:	:	+8	-70	-40	-43	-47	-34	-48	-47	-47	-48	-43	-11
	export order-books	:	:	+9	-80	-52	-54	-60	-32	-64	-61	-56	-47	-39	-9
	stocks of finished products	-14	+74	0	+58	0	-1	+1	+1	+3	+2	-3	+1	+1	+1
	selling-price expectations	:	-46	+74	-38	+18	+14	+38	+60	+41	+45	+27	+52	+62	+66
	industrial confidence indicator	:	:	+16	-65	-18	-19	-17	-9	-18	-17	-16	-16	-13	+2
NL	production expectations	+26	-26	+20	-13	+2	+1	+3	+5	+2	+2	+5	+6	+6	+4
	order-books	+7	-48	-5	-42	-16	-20	-16	-13	-16	-17	-15	-13	-12	-15
	stocks of finished products	-3	+57	+3	+39	+4	+5	+3	+2	+3	+2	+3	+2	+2	+2
	industrial confidence indicator	+12	-44	+4	-31	-6	-8	-5	-3	-6	-6	-4	-3	-3	-4
UK	production expectations	:	:	+29	-52	+31	+31	+36	+35	+30	+42	+35	+34	+39	+33
	order-books	:	:	-2	-85	+6	+2	+11	+18	+8	+13	+12	+20	+15	+20
	export order-books	:	:	-11	-72	0	-5	+9	+8	+10	+8	+8	+7	+11	+5
	stocks of finished products	:	:	-1	+42	+1	+2	-2	-4	-1	-4	0	-7	-6	+1
	selling-price expectations	:	:	+70	+7	+26	+27	+26	+29	+24	+27	+27	+26	+32	+29
	industrial confidence indicator	:	:	+9	-60	+12	+10	+16	+19	+13	+20	+16	+20	+20	+17
EUR	production expectations	+24	-30	+15	-24	+9	+7	+9	+12	+7	+11	+10	+12	+13	+12
	order-books	+15	-70	-7	-56	-14	-17	-12	-8	-14	-11	-11	-7	-10	-8
	export order-books	:	:	-12	-50	-22	-25	-20	-18	-20	-20	-19	-19	-16	-18
	stocks of finished products	-10	+48	-1	+31	+7	+8	+5	+4	+7	+4	+4	+4	+4	+5
	selling-price expectations	+64	+9	+53	+22	+19	+17	+21	+23	+20	+22	+22	+23	+24	+23
	industrial confidence indicator	+16	-49	+2	-36	-4	-6	-3	0	-5	-1	-2	0	0	0

(a) The indicator is an average of the responses (balances) to the questions on production expectations, order-books and stocks (the latter with inverted sign).

(b) These are the extreme (high and low) values of the balances of the different questions, reached in the course of 1972-1975 and 1979-1983, respectively.

Note: (s.a.) = seasonally adjusted. : = not available. () = estimated. Source: European Community business surveys.

GRAPH 10: Consumer survey results and objective economic indicators—European Community⁷



For notes, Table 8.

Sources: European Community consumer survey and Eurostat.

advances were recorded in Belgium and Luxembourg. For the Community as a whole, the confidence indicator lost one of the two points gained in November.

Consumer confidence remains unchanged in the Community. — The Community's consumer confidence indicator stayed at the previous month's level (– 8; see Table 8). One of the indicator's components—expectations concerning the general economic situation—has become slightly more positive, but this change is largely neutralized by the decline in consumers' propensity to make major purchases.

Much of this cautious attitude on the part of European consumers is probably due to the uncertainty surrounding future developments on the financial markets. This contrasts very sharply with the revival of confidence shown by United States' consumers in December 1987, after the sharp fall in November. But time is needed to see whether this revival will last, given the sometimes very wide variations in the assessments of United States consumers. There are wide differences between the movements of the European confidence and its United States' counterpart; in particular the latter fluctuates considerably more sharply while always remaining positive and at a far higher level

than the Community indicator, which has been below zero for years. All the components of both indicators display these features, as shown in Graph 11.¹

Apart from the differences in level and in the movement of the European and American indicators and their components, the graph also shows that in both the Community and the United States, consumers' appraisals of the general economic situation fluctuate more than their appraisals of their personal financial situation. From one month to another, United States' households are inclined to make sometimes appreciable changes in their assessment of recent events, both general and personal, while European consumers are considerably more consistent in their opinions.

Although it is true that for the Community as a whole, consumer confidence changed very slightly between November and December 1987, appreciable variations, both positive and negative were discernible in several member countries. The member countries can be divided into two groups. In the first, which contains Belgium, France, Ireland, Italy and the Netherlands, the change in the consumer climate has been positive to a varying degree. By contrast, negative appraisals set the tone in the second group, comprising Denmark, Germany, Portugal and the United Kingdom. There has been a particular deterioration in confidence in Denmark, though this is not attributable to any specific factors.

Some months after Monday 19 October 1987, when share prices suddenly plummeted on the world's stock markets, it can be concluded that consumer confidence in the Community has undoubtedly been shaken. This contrasts with the situation in industry where it is clear that the stock market crisis has had virtually no influence on assessments and expectations. Nevertheless, consumers' reactions have been far more restrained than had originally been feared. In any event, a break in consumer confidence did not occur in Europe, as it did in the United States (see Graph 11).

Economic sentiment stabilizes. — The Community's composite economic sentiment indicator, which had fallen by one percentage point in November, lost only 0.1 of a percentage point in December (see Table 6). This very limited fall is attributable, first, to the construction confidence indicator (see above), and second, to share prices, slightly down if their long-term trend is eliminated (see Graph 1).

Retailers expect business to be less favourable. — As can be seen from Table 9, the stock market crisis did not affect retailers' assessments of the present state of business but it probably influenced their appraisals of future developments in their branch. Questioned on how they expected business to develop, Belgian, German, French and British retailers were more pessimistic in November/December 1987 than they had been on average in the preceding months. In some member countries, this trend is also discernible for intentions of placing orders and employment outlook. However, we know from experience that seasonal movements can influence these opinions. The November/December changes cannot therefore be clearly linked to the stock market crisis.

21 January 1988

¹ The United States consumer confidence indicator is based on the non-weighted arithmetic mean of balances of percentages of positive and negative replies to five questions, which are worded in a similar way to the components of the European consumer confidence indicator. However, the replies proposed in the United States' survey usually contain no differences of degree, whereas the opposite is true for the European survey (e.g. 'sharp improvement; slight improvement; sharp deterioration; slight deterioration').

GRAPH 11: Consumer confidence indicator and its components in the European Community (—) and the United States (—)

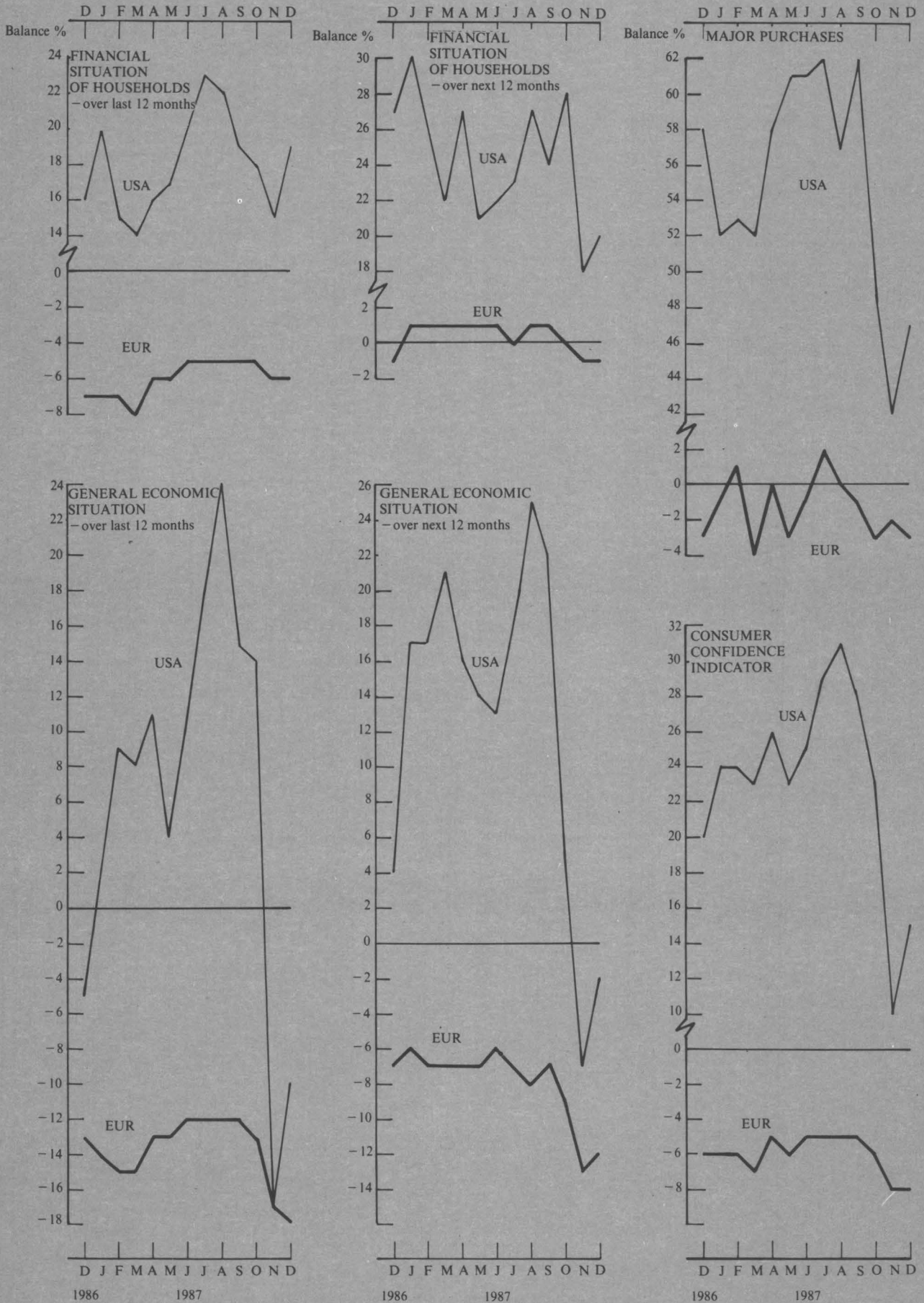


TABLE 8: Consumer opinion on economic and financial conditions^(a)

		1979	1980	1981	1982	1983	1984	1985	1986	1987	1987									
												Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
CONSUMER CONFIDENCE INDICATOR ^(b)	B	-10	-20	-27	-27	-28	-27	-21	-17	-12	-10	-11	-10	-12	-9	-12	-13	-14	-10	
	DK	-2	-19	-17	-12	0	6	4	-3	-10	-11	-7	-10	:	-9	-7	-8	-11	-19	
	D	6	-5	-22	-26	-15	-10	-7	3	-1	2	0	0	-1	-4	1	-1	-5	-7	
	GR	:	:	:	0	-11	-4	-5	-20	-29	-27	-32	-31	-30	-28	-27	-29	-29	-28	
	E	:	:	:	:	:	:	:	-9	-8	-13	-12	-7	-4	-3	-3	-6	-8	-9	
	F ^(d)	-5	-10	-9	-5	-15	-23	-21	-14	-18	-17	-18	-19	-18	:	-17	-17	-16	-16	
	IRL	-10	-22	-28	-34	-39	-33	-29	-28	-29	-29	-33	-28	-29	-29	-30	-27	-31	-28	
	I	-17	-22	-22	-18	-24	-15	-12	-4	-4	-2	-2	-3	-2	:	-7	-10	-9	-8	
	NL	-8	-25	-31	-32	-30	-22	-7	5	-2	1	-1	-4	-5	-4	-1	-7	-9	-8	
	P	:	:	:	:	:	:	:	-7	0	-2	-2	-4	5	3	1	5	4	:	
UK	-4	-18	-21	-12	-3	-4	-10	-7	5	4	6	10	9	8	5	8	5	3		
EUR ^(c)		-3	-13	-19	-17	-15	-14	-12	-6	-6	-5	-6	-5	-5	-5	-5	-6	-8	-8	
FINANCIAL SITUATION OF HOUSEHOLDS	B	-11	-15	-19	-25	-29	-31	-23	-14	-9	-6	-6	-6	-8	-7	-8	-8	-10	-10	
	DK	1	-10	-12	-7	-4	-2	-3	-2	-1	-2	0	-1	:	1	1	-2	1	-4	
	D	2	-4	-16	-18	-14	-11	-8	1	1	1	2	1	1	-1	3	2	1	0	
	GR	:	:	:	-2	-13	-8	-8	-24	-31	-32	-35	-32	-34	-31	-29	-31	-33	-30	
	E	:	:	:	:	:	:	:	-10	-9	-11	-12	-9	-8	-6	-7	-9	-10	-10	
	F ^(d)	-4	-7	-8	-7	-11	-15	-13	-11	-14	-14	-14	-13	-14	:	-13	-13	-14	-14	
	IRL	-21	-32	-38	-41	-43	-42	-37	-34	-31	-30	-37	-29	-31	-33	-30	-28	-30	-28	
	I	-13	-14	-14	-13	-15	-12	-10	-6	-4	-4	-3	-5	-4	:	-4	-5	-5	-4	
	NL	1	-9	-18	-20	-28	-26	-17	-3	0	0	3	-1	-1	-1	0	0	-3	0	
	P	:	:	:	:	:	:	:	-8	-2	-1	-2	-3	2	0	-4	-1	-1	-2	
UK	-11	-24	-30	-27	-15	-15	-16	-13	-5	-5	-6	0	-1	-1	-4	-1	-3	-3		
EUR ^(c)		-5	-11	-17	-16	-15	-15	-12	-8	-6	-6	-6	-5	-5	-5	-5	-5	-6	-6	
— over last 12 months	B	-3	-6	-9	-12	-15	-18	-13	-5	-1	-1	1	2	-1	0	-1	-1	-1	1	
	DK	3	-8	-4	-2	0	3	3	2	2	3	4	0	:	3	4	3	2	-2	
	D	2	-3	-12	-14	-9	-6	-4	2	1	1	2	2	1	0	3	1	-1	-1	
	GR	:	:	:	15	0	6	2	-12	-21	-18	-23	-22	-24	-24	-21	-22	-22	-21	
	E	:	:	:	:	:	:	:	3	2	-1	-1	2	3	6	4	1	0	0	
	F ^(d)	0	-2	0	0	-4	-7	-3	-2	-4	-3	-4	-6	-5	:	-3	-3	-3	-2	
	IRL	-13	-19	-24	-23	-26	-22	:	-15	-15	-14	-20	-12	-17	-18	-17	-14	-17	-15	
	I	-7	-10	-8	-6	-8	-3	-2	1	2	4	2	2	2	:	1	-2	1	1	
	NL	1	-9	-13	-14	-21	-17	-6	2	2	3	2	-1	0	-2	3	3	0	1	
	P	:	:	:	:	:	:	:	2	5	1	4	2	10	5	4	8	11	6	
UK	-1	-13	-15	-9	-2	-3	-5	-3	4	7	7	9	4	6	3	5	2	1		
EUR ^(c)		0	-6	-9	-8	-7	-6	-4	0	0	1	1	1	0	1	1	0	-1	-1	
GENERAL ECONOMIC SITUATION	B	-44	-58	-69	-68	-62	-57	-33	-29	-20	-16	-19	-19	-20	-18	-18	-22	-25	-22	
	DK	-34	-56	-47	-42	-4	4	2	-10	-22	-25	-17	-21	:	-22	-13	-17	-24	-37	
	D	3	-18	-46	-51	-29	-14	-11	7	-2	2	1	-1	-4	-6	-1	-2	-11	-14	
	GR	:	:	:	-2	-11	-4	-10	-28	-34	-32	-38	-34	-34	-34	-32	-33	-33	-34	
	E	:	:	:	:	:	:	:	-15	-18	-25	-23	-17	-16	-13	-11	-8	-15	-16	
	F ^(d)	-27	-39	-37	-28	-41	-54	-52	-34	-39	-39	-40	-43	-38	:	-37	-38	-37	-38	
	IRL	-35	-56	-66	-74	-77	-65	-61	-58	-58	-56	-65	-58	-58	-53	-58	-50	-56	-55	
	I	-43	-57	-60	-51	-57	-36	-26	-10	-7	-3	-4	-1	-4	:	-11	-18	-19	-18	
	NL	-30	-55	-64	-64	-54	-19	8	18	-1	5	0	-6	-11	-6	0	-7	-8	-7	
	P	:	:	:	:	:	:	:	-5	5	8	4	2	12	11	7	11	4	4	
UK	-33	-55	-62	-40	-23	-25	-37	-29	-4	-8	-1	7	5	3	0	5	1	-2		
EUR ^(c)		-22	-41	-51	-44	-37	-31	-28	-15	-14	-13	-13	-12	-12	-12	-12	-13	-17	-18	
— over next 12 months	B	-29	-45	-51	-43	-38	-33	-17	-12	-9	-5	-10	-8	-9	-6	-9	-14	-15	-8	
	DK	-24	-42	-29	-23	3	6	4	-7	-15	-19	-8	-14	:	-17	-5	-16	-17	-30	
	D	1	-19	-33	-32	-14	-10	-6	3	-8	-4	-6	-5	-10	-11	-6	-7	-16	-20	
	GR	:	:	:	25	6	10	3	-13	-22	-17	-25	-22	-22	-25	-22	-23	-22	-22	
	E	:	:	:	:	:	:	:	3	-2	-7	-4	0	2	3	4	4	-3	-3	
	F ^(d)	-29	-40	-27	-23	-36	-45	-34	-18	-24	-24	-26	-27	-24	:	-19	-20	-23	-21	
	IRL	-26	-35	-38	-42	-45	-29	-26	-26	-29	-29	-34	-33	-32	-28	-34	-29	-37	-29	
	I	-19	-30	-30	-24	-25	-9	-8	3	-2	1	1	-1	0	:	-8	-14	-13	-8	
	NL	-26	-48	-42	-42	-28	-5	10	12	-8	-7	-10	-14	-18	-12	-1	-16	-17	-14	
	P	:	:	:	:	:	:	:	5	9	1	4	2	15	14	13	17	11	8	
UK	-16	-24	-23	-10	-5	-10	-16	-14	4	6	10	16	8	4	1	5	1	-1		
EUR ^(c)		-16	-30	-30	-24	-21	-18	-14	-5	-8	-7	-7	-6	-7	-8	-7	-9	-13	-12	
PRICE TRENDS	B	55	65	69	77	78	78	72	49	32	27	32	32	33	34	36	32	27	27	
	DK	39	50	51	48	26	26	26	10	0	1	-1	6	:	1	-3	-3	-3	-1	
	D	25	44	52	46	23	15	9	-15	-14	-20	-16	-12	-9	-9	-7	-7	-7	-2	
	GR	:	:	:	15	30	24	26	39	42	41	43	42	42	43	41	42	41	43	
	E	:	:	:	:	:	:	:	46	35	41	40	28	25	30	30	34	33	35	
	F ^(d)	70	79	77	62	55	58	44	12	12	14	14	15	12	:	12	8	5	6	
	IRL	80	85	87	87	80	71	59	47	35	35	37	33	32	28	35	24	31	35	
	I	72	80	79	72	69	55	49	36	29	24	28	24	28	:	30	36	37	37	
	NL	43	62	68	63	43	41	22	-2	-19	-26	-23	-19	-17	-16	-13	-14	-12	-12	
	P	:	:	:	:	:	:	:	31	30	30	30	27	17	23	24	27	37	40	
UK	48	59	41	31	15	19	24	15	11	10	10	7	4	10	11	11	14	13		
EUR ^(c)		49	63	62	53	40	37	30	13	11	9	11	10	10	11	12	13	13	14	

TABLE 8 (continued): Consumer opinion on economic and financial conditions^(a)

		1979	1980	1981	1982	1983	1984	1985	1986	1987	1987									
												Avr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
PRICE TRENDS (cont.)	B	33	42	40	45	40	37	36	27	19	14	18	16	18	22	23	23	23	17	
	DK	29	38	31	31	12	16	15	7	6	7	5	7	:	5	-1	4	3	4	
	D	44	51	50	43	30	28	25	5	12	4	8	13	16	18	17	16	20	27	
	GR	:	:	:	25	37	38	42	44	47	48	49	41	46	48	47	47	45	47	
	E	:	:	:	:	:	:	:	19	18	24	20	9	12	16	15	21	18	22	
	F (d)	46	50	39	42	37	32	27	19	12	9	12	12	10	:	4	4	10	6	
	IRL	59	56	52	46	39	35	32	23	25	22	25	23	26	24	27	24	27	26	
	I	56	60	58	56	54	46	48	35	42	35	37	37	43	:	53	52	54	49	
	NL	48	61	52	50	38	25	17	6	2	-6	-2	3	8	10	7	17	6	9	
	P	:	:	:	:	:	:	:	14	17	17	16	16	9	8	10	18	29	29	
UK	34	43	31	29	27	40	43	32	36	33	33	24	33	37	37	39	45	39		
— over next 12 months		EUR (c)	44	51	44	42	35	35	32	20	22	18	20	18	22	23	23	25	28	27
UNEMPLOYMENT	B	42	57	67	60	57	44	37	33	35	37	36	33	36	36	37	35	33	27	
	DK	22	39	37	29	30	5	-4	1	29	26	18	37	:	35	21	34	33	50	
	D	3	20	43	43	30	20	16	4	19	12	13	14	20	24	23	23	27	37	
	GR	:	:	:	11	10	11	17	31	36	35	39	34	36	34	37	36	35	33	
	E	:	:	:	:	:	:	:	26	31	39	35	24	24	26	19	25	35	33	
	F (d)	44	47	43	30	41	62	50	33	39	47	50	42	43	:	29	39	27	25	
	IRL	12	34	47	56	67	52	48	45	45	34	47	49	50	49	57	50	51	46	
	I	41	51	52	56	57	49	47	39	40	40	39	41	40	:	43	41	46	45	
	NL	35	59	72	72	67	36	0	-11	8	7	9	4	16	17	10	11	15	12	
	P	:	:	:	:	:	:	27	15	19	22	17	6	8	9	7	16	13	13	
UK	30	58	50	34	37	32	35	32	7	8	6	3	2	3	8	-1	2	0		
— over next 12 months		EUR (c)	27	43	48	42	41	38	32	23	26	27	27	24	26	27	25	26	27	28
MAJOR PURCHASES	B	30	23	15	13	6	6	-18	-26	-21	-24	-21	-21	-24	-16	-22	-21	-19	-12	
	DK	42	21	10	16	7	14	14	0	-15	-14	-14	-16	:	-12	-21	-9	-17	-22	
	D	25	18	-1	-17	-8	-9	-8	4	4	8	2	4	5	-1	7	4	2	0	
	GR	:	:	:	-35	-35	-24	-20	-22	-36	-36	-40	-43	-36	-29	-32	-35	-37	-34	
	E	:	:	:	:	:	:	:	-27	-14	-20	-20	-12	-2	-5	-7	-17	-13	-15	
	F (d)	35	39	28	30	19	6	-4	-3	-8	-5	-8	-6	-11	:	-12	-11	-5	-5	
	IRL	46	30	24	13	-6	-9	-2	-10	-11	-18	-11	-10	-5	-15	-11	-12	-17	-12	
	I	-3	2	4	1	-13	-15	-15	-8	-8	-8	-6	-8	-3	:	-14	-11	-10	-9	
	NL	13	-2	-17	-21	-18	-44	-29	-6	-3	4	-2	1	6	0	-8	-14	-15	-18	
	P	:	:	:	:	:	:	:	-28	-17	-20	-18	-22	-14	-14	-15	-10	-7	-10	
UK	43	28	26	25	32	31	24	24	24	22	20	20	31	28	27	26	24	17		
— at present		EUR (c)	27	22	12	6	5	0	-3	0	-1	0	-3	-1	2	0	-1	-3	-2	-3
— over next 12 months	B	-29	-26	-28	-28	-30	-28	-30	-28	-20	-22	-18	-18	-19	-16	-18	-20	-19	-16	
	DK	-8	-14	-12	-10	-8	-7	-8	-12	-11	-10	-12	-12	:	-12	-11	-8	-11	-14	
	D	-15	-19	-25	-28	-29	-28	-26	-20	-20	-20	-19	-23	-20	-22	-19	-19	-22	-21	
	GR	:	:	:	-24	-33	-38	-33	-42	-45	-48	-49	-44	-51	-44	-42	-44	-47	-41	
	E	:	:	:	:	:	:	:	-26	-23	-22	-22	-23	-20	-19	-16	-23	-24	-24	
	F (d)	-16	-18	-13	-9	-10	-10	-9	-3	0	0	0	-1	-1	:	0	0	0	0	
	IRL	-17	-19	-22	-27	-31	-25	-22	-20	-19	-17	-20	-19	-17	-16	-14	-19	-16	-14	
	I	-10	-17	-18	-22	-22	-21	-21	-21	-21	-21	-20	-21	-21	:	-22	-24	-22	-20	
	NL	-19	-23	-27	-27	-29	-27	-20	-15	-12	-10	-10	-12	-13	-14	-12	-9	-10	-11	
	P	:	:	:	:	:	:	:	6	5	2	10	5	-1	0	6	10	12	10	
UK	-6	-14	-19	-18	-15	-12	-14	-12	-10	-9	-8	-6	-9	-10	-8	-8	-8	-10		
— over next 12 months		EUR (c)	-12	-17	-20	-20	-21	-19	-18	-16	-14	-14	-13	-14	-14	-15	-13	-14	-14	-14
SAVINGS	B	40	38	41	40	46	46	46	43	52	50	55	51	53	54	56	49	53	58	
	DK	11	15	23	26	40	41	50	46	50	53	43	46	:	49	53	55	52	47	
	D	46	43	32	27	33	38	41	44	43	41	45	43	43	46	47	48	31	32	
	GR	:	:	:	-25	-29	-20	-18	-31	-40	-40	-46	-45	-43	-34	-39	-43	-37	-37	
	E	:	:	:	:	:	:	:	36	43	41	42	41	40	49	46	41	49	45	
	F (d)	8	-3	-2	-5	0	6	11	12	20	20	19	23	21	:	22	25	17	18	
	IRL	8	5	-3	-9	-3	-8	-1	-3	-7	-2	-7	-8	-19	-11	0	-8	-4	-4	
	I	4	-6	-7	10	21	33	37	47	49	51	49	51	47	:	50	49	48	48	
	NL	19	19	27	38	35	34	41	48	50	51	52	48	48	44	53	51	51	49	
	P	:	:	:	:	:	:	:	-42	-27	-31	-25	-21	-21	-19	-24	-16	-11	-30	
UK	-5	6	5	5	10	17	20	23	31	31	30	34	37	32	31	38	26	23		
— at present		EUR (c)	21	15	12	12	19	24	29	31	35	35	35	36	36	36	37	38	32	31
— over next 12 months	B	-14	-20	-21	-25	-26	-27	-33	-9	-3	-2	-2	-1	-4	0	-1	-6	-6	-5	
	DK	-12	-20	-19	-18	-12	-11	-7	-6	-5	-3	1	-5	:	3	0	-8	-1	-13	
	D	46	44	23	-2	1	3	3	11	13	16	12	11	14	11	15	12	14	10	
	GR	:	:	:	-37	-41	-39	-40	-47	-57	-54	-58	-61	-59	-57	-55	-59	-58	-57	
	E	:	:	:	:	:	:	:	-36	-35	-39	-41	-34	-29	-30	-34	-38	-42	-36	
	F (d)	-29	-32	-32	-32	-35	-37	-36	-31	-34	-31	-35	-33	-34	:	-32	-34	-37	-35	
	IRL	-11	-13	-19	-22	-25	-37	-28	-30	-31	-20	-39	-29	-31	-40	-32	-26	-33	-34	
	I	-34	-32	-30	-22	-27	-20	-17	-10	-6	-8	-5	-5	-6	:	-5	-7	-4	-8	
	NL	8	0	-1	-3	-8	-2	6	12	17	14	21	14	17	17	24	19	15	16	
	P	:	:	:	:	:	:	:	-39	-27	-29	-31	-27	-18	-23	-27	-19	-10	-24	
UK	-4	-16	-20	-17	-13	-12	-14	-12	-6	-4	-8	-5	-8	-2	-7	-6	-4	-4		
— over next 12 months		EUR (c)	2	-4	-11	-17	-17	-16	-15	-11	-10	-9	-11	-10	-10	-9	-9	-11	-11	-12

TABLE 8 (continued): Consumer opinion on economic and financial conditions^(a)

		1979	1980	1981	1982	1983	1984	1985	1986	1987	1987											
												Avr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.		
FINANCIAL SITUATION OF HOUSEHOLDS	B	12	9	7	6	5	6	5	13	14	16	14	14	13	14	13	14	12	14	14		
	DK	9	4	4	4	8	8	11	10	10	11	9	10	11	11	11	10	12	9	9		
	D	22	21	16	12	11	11	12	17	17	17	18	17	16	16	18	17	18	16	16		
	GR	:	:	:	0	0	2	3	1	-2	-1	-3	-2	-1	-1	-2	-2	-3	-2	-2		
	E	:	:	:	:	:	:	:	5	5	1	3	6	8	8	3	6	3	4	4		
	F ^(d)	10	8	8	8	6	4	3	3	0	2	0	2	2	:	0	0	-1	-1	-1		
	IRL	8	2	-4	-1	-1	-1	-1	-1	-1	4	-5	0	-2	-4	1	-1	1	1	1		
	I	8	8	8	13	9	11	12	15	16	15	17	16	18	:	15	17	15	17	17		
	NL	22	19	18	17	15	13	16	19	19	18	20	19	18	16	22	18	20	17	8		
	P	:	:	:	:	:	:	:	2	8	10	7	8	12	8	7	11	7	8	8		
	UK	10	8	9	9	12	12	11	11	14	14	13	17	13	17	13	16	15	14	14		
EUR ^(c)		15	12	11	10	9	9	9	11	11	11	11	12	12	12	11	12	11	10	10		

(a) The sum of the replies for each Member State are weighted in the Community total with the value of consumers' expenditure.

(b) The indicator represents the arithmetic average of results for five questions, namely the two on the financial situation of the household, the two on the general economic situation, and that concerning major purchases at present.

(c) If monthly data are not available, the EUR-averages incorporate the most recent available results.

(d) Data of an experimental and provisional nature from June 1986 onwards; they do not involve the responsibility of the INSEE.

¹ The climate of consumer confidence is measured by an indicator based on five questions in the consumer survey. These are the questions relating to the general economic situation, the household financial situation and to major purchases of durable goods.² Quarterly data; percentage change on corresponding quarter of preceding year.³ Quarterly data; monthly from May 1986 onwards.⁴ Percentage changes on corresponding quarter resp. month of preceding year.⁵ See table 8 for data and notes.⁶ Seasonally adjusted.⁷ EUR 10 up to May 1986; EUR 12 from June 1986 onwards.

Source: European Community consumer survey.

TABLE 9: Results of business surveys in the retail trade (a) (b)

		1986												1987											
		March	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.		
PRESENT BUSINESS SITUATION	B	-8	0	19	7	13	-8	10	11	13	8	-5	-13	-3	-12	-16	-10	-11	-6	-12	-13	-7	-12		
	D	19	10	7	6	10	10	1	11	14	7	-10	-3	-6	3	-21	-15	3	-5	-12	-3	7	10		
	F ^(c)	6	:	16	:	6	:	11	:	11	:	-9	:	-9	:	-10	:	-10	:	-20	:	-11	:		
	I ^{(c)(d)}	7	:	2	:	7	:	7	:	3	:	6	:	-2	:	2	:	4	:	-2	:	-1	:		
	NL	41	41	51	48	51	51	55	45	48	56	36	39	38	47	41	39	36	41	33	45	35	34		
	UK ^(e)	13	5	7	19	24	29	24	17	18	36	20	29	20	20	21	9	32	22	21	22	20	24		
	EUR 6	4	2	2	1	1	2	6	2	-1	10	1	5	1	4	-3	-3	0	-2	-4	0	5	6		
VOLUME OF STOCKS	B	11	5	4	12	6	2	0	0	17	9	6	12	15	16	12	17	14	7	13	17	10	6		
	D	28	29	26	27	20	20	24	28	31	25	23	24	23	27	33	30	29	23	28	25	21	22		
	F ^(c)	4	:	19	:	13	:	8	:	15	:	19	:	8	:	18	:	27	:	19	:	20	:		
	I ^{(c)(d)}	25	:	24	:	31	:	20	:	30	:	18	:	19	:	20	:	26	:	19	:	23	:		
	NL	10	10	7	9	8	2	8	7	12	4	12	9	8	10	24	16	12	11	16	16	18	17		
	UK	27	27	20	21	17	9	4	16	15	18	18	16	20	10	7	4	8	8	5	6	7	13		
	EUR 6	20	20	21	22	19	17	14	17	21	21	19	19	17	17	21	19	23	21	19	18	18	19		
INTENTIONS OF PLACING ORDERS	B	3	-9	14	16	-4	3	11	-3	-8	-10	6	10	1	-1	-15	-9	-3	8	-4	-9	-14	-20		
	D	-13	-15	-15	14	6	1	0	1	-16	-9	-8	-1	-7	-8	-17	-14	5	-1	-3	3	-6	-7		
	F ^(c)	-15	:	-24	:	28	:	12	:	-9	:	-24	:	17	:	-18	:	-27	:	17	:	-19	:		
	I ^{(c)(d)}	-14	:	18	:	14	:	2	:	-1	:	-6	:	-6	:	-15	:	-8	:	-11	:	-12	:		
	NL	24	17	16	19	21	25	20	18	14	20	24	28	19	17	7	8	19	11	7	4	6	6		
	UK	17	21	26	23	21	31	28	27	25	24	24	30	21	26	37	17	37	42	43	30	32	32		
	EUR 6	6	-7	9	9	6	3	6	3	2	0	-3	0	-4	-2	-6	-5	2	0	1	0	-3	-4		
EXPECTED BUSINESS SITUATION	B	9	-6	9	-6	21	23	29	10	13	-4	16	32	19	-1	-6	-4	16	29	-4	8	3	-18		
	D	-5	:	3	0	4	2	12	2	-4	5	1	6	7	-1	-2	-4	8	3	8	7	-1	-1		
	F ^(c)	:	:	:	:	17	:	14	:	-20	:	-19	:	-34	:	-30	:	-48	:	-35	:	-44	:		
	I ^{(c)(d)}	9	:	9	:	10	:	20	:	13	:	10	:	20	:	8	:	6	:	2	:	2	:		
	NL	43	41	34	41	38	45	40	39	31	46	44	42	38	31	25	24	38	32	30	22	20	23		
	UK	:	:	34	:	:	34	:	34	:	:	:	39	:	:	41	:	:	42	:	:	28	:		
	EUR 6	12	12	12	13	8	8	14	9	5	8	3	5	8	4	2	2	2	1	4	3	-4	-5		
EMPLOYMENT OUTLOOK	B	6	1	0	0	1	3	2	1	4	3	1	1	-1	6	1	8	3	-1	-2	2	-12	-6		
	D	2	:	:	0	:	:	1	:	:	-4	:	:	-4	:	:	4	:	:	-2	:	-2	-6		
	F ^(c)	-12	:	2	:	0	:	14	:	4	:	-18	:	-10	:	-4	:	2	:	19	:	-5	:		
	I ^{(c)(d)}	-10	:	6	:	5	:	2	:	-9	:	-15	:	-5	:	-3	:	-5	:	-5	:	-1	:		
	NL	12	10	10	11	9	12	10	7	6	9	14	11	9	12	15	6	5	6	7	6	4	5		
	UK	:	:	21	:	:	16	:	:	10	:	:	20	:	:	38	:	:	25	:	:	41	:		
	EUR 6	0	1	1	1	3	3	1	-1	-1	-2	-6	-4	-1	0	5	7	7	4	-2	2	5	4		

(a) not seasonally adjusted;

(b) percentage balances;

(c) bi-monthly;

(d) excl. large multiple shops;

(e) refers to volume of sales for the time of the year.

Source: EC Survey in the retail trade.

Prices (excluding VAT) in Luxembourg

ECU BFR IRL UKL USD

Series B — 'Business and consumer survey results'
(11 issues per year)

23,50

1 000

18

16,50

28

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